

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:)	Chapter 11
)	
EASTERN LIVESTOCK CO., LLC,)	Case No. 10-93904-BHL-11
)	
Debtor.)	Hon. Basil H. Lorch III

**SUPPLEMENT TO TRUSTEE'S OBJECTION TO MOTION FOR RELIEF FROM
AUTOMATIC STAY AND ABANDONMENT OF PROPERTY FILED BY PEOPLES
BANK & TRUST COMPANY OF PICKETT COUNTY**

James A. Knauer, the chapter 11 trustee appointed in this case ("Trustee"), by counsel, objects to the Motion for Relief From Automatic Stay and Abandonment of Property [Docket Nos. 300 and 317] ("Peoples Bank Motion") filed by Peoples Bank & Trust Company of Pickett County ("Peoples Bank") on February 28, 2011, as may have been modified on March 8, 2011. In support of this supplemental objection (the "Supplemental Objection"), the Trustee states:

1. The Peoples Bank Motion requests entry of an order terminating the automatic stay of section 362 of the Bankruptcy Code and abandoning from the Debtor's estate certain real estate owned by Debtor and located in Harrison County, Indiana (as more particularly described in the Peoples Bank Motion, the "Real Estate"). Peoples Bank states that Eastern Livestock Co., LLC ("Debtor") granted it a mortgage against the Real Estate (the "Mortgage") to secure a personal loan made to Thomas and Patsy Gibson by Peoples Bank in 2008, and alleges that the Real Estate "is of no, or inconsequential, value to the estate and should be abandoned from the estate." (*See* Peoples Bank Motion ¶4.)¹

¹ The Trustee filed the Trustee's Objection to Motion for Relief From Automatic Stay and Abandonment of Property filed by Peoples Bank & Trust Company of Pickett County [Docket No. 334] (the "Original Objection") on March 9, 2011.

2. In addition to the arguments raised in the Original Objection, the Trustee objects to the Peoples Bank Motion because the Trustee has reason to dispute the validity of the Mortgage.

3. The Real Estate is property of the Debtor. Peoples Bank alleges that Debtor mortgaged the Real Estate to secure a personal loan to the Gibsons. There is no evidence that Debtor received any consideration or value for its grant of the Mortgage to Peoples Bank and Debtor was likely insolvent at the time of the granting of the Mortgage. As a result, the Mortgage may be unenforceable for lack of consideration and/or constitutes a fraudulent transfer that may be avoided by the Trustee pursuant to Ind. Code § 32-18-2-15 and section 544 of the Bankruptcy Code.

4. For the reasons asserted in both the Original Objection and this Supplemental Objection, the Trustee believes that the Real Estate is of value to Debtor's bankruptcy estate, that the security interest asserted by Peoples Bank is void or may be avoided by the Trustee, and that there are no grounds for granting Peoples Bank relief from stay.

WHEREFORE, the Trustee respectfully requests that the Court enter an order denying the Peoples Bank Motion and granting the Trustee all other just and appropriate relief.

Respectfully submitted,

By: /s/ Dustin R. DeNeal

Counsel for James A. Knauer, Chapter 11 Trustee

James M. Carr (#3128-49)
Robert K. Stanley (#1745-49)
Terry E. Hall (#22041-49)
Dustin R. DeNeal (#27535-49)
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204-1782
Telephone: (317) 237-0300
Facsimile: (317) 237-1000
jim.carr@bakerd.com
robert.stanley@bakerd.com
terry.hall@bakerd.com
dustin.deneal@bakerd.com

Wendy W. Ponader (#14633-49)
Baker & Daniels LLP
600 East 96th Street, Suite 600
Indianapolis, IN 46240
Telephone: (317) 569-9600
Facsimile: (317) 569-4800
wendy.ponader@bakerd.com

CERTIFICATE OF SERVICE

I hereby certify that on April 12, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

David L. Abt
davidabt@mwt.net

Mark A. Robinson
mrobinson@vhlaw.com

Randall D. LaTour
rdlatour@vorys.com

Daniel J. Donnellon
ddonnellon@ficlaw.com

John W. Ames
jwa@gdm.com

Jeremy S Rogers
Jeremy.Rogers@dinslaw.com

Meredith R. Thomas
mthomas@daleeke.com

Charles R. Wharton
Charles.R.Wharton@usdoj.gov

David L. LeBas
dlebas@namanhowell.com

Jessica E. Yates
jyates@swlaw.com

Laura Day Delcotto
ldelcotto@dlgfir.com

Ross A. Plourde
ross.plourde@mcafeetaft.com

Kirk Crutcher
kcrutcher@mcs-law.com

Theodore A Konstantinopoulos
ndohbky@jbandr.com

Lisa Koch Bryant
courtmail@fbhlaw.net

Cathy S. Pike
cpike@weberandrose.com

Robert H. Foree
robertforee@bellsouth.net

William E Smith
wsmith@k-glax.com

C. R. Bowles, Jr
crb@gdm.com

Jesse Cook-Dubin
jcookdubin@vorys.com

John R. Carr, III
jrciii@acs-law.com

Stephen A. Weigand
sweigand@ficlaw.com

Robert Hughes Foree
robertforee@bellsouth.net

Ivana B. Shallcross
ibs@gdm.com

William Robert Meyer, II
rmeyer@stites.com

James Bryan Johnston
bjtexas59@hotmail.com

Judy Hamilton Morse
judy.morse@crowedunlevy.com

John Huffaker
john.huffaker@sprouselaw.com

Kelly Greene McConnell
lisahughes@givenspursley.com

Jeffrey E. Ramsey
jramsey@hopperblackwell.com

Todd J. Johnston
tjohnston@mcjllp.com

Karen L. Lobring
lobring@msn.com

Elliott D. Levin
robin@rubin-levin.net
edl@trustesolutions.com
John David Hoover
jdhoover@hooverhull.com

Sarah Stites Fanzini
sfanzini@hopperblackwell.com

Susan K. Roberts
skr@stuartlaw.com

John Hunt Lovell
john@lovell-law.net

Edward M King
tking@fbtlaw.com

Bret S. Clement
bclement@acs-law.com

John Frederick Massouh
john.massouh@sprouselaw.com

Kim Martin Lewis
kim.lewis@dinslaw.com

Deborah Caruso
dcaruso@daleeke.com

Allen Morris
amorris@stites.com

James T. Young
james@rubin-levin.net

John M. Thompson
john.thompson@crowedunlevy.com

Matthew J. Ochs
matt.ochs@moyewhite.com

T. Kent Barber
kbarber@dlgfir.com

Walter Scott Newbern
wsnewbern@msn.com

Timothy T. Pridmore
tpridmore@mcjllp.com

Sandra D. Freeburger
sfreeburger@dsf-atty.com

John M. Rogers
johnr@rubin-levin.net

Sean T. White
swhite@hooverhull.com

Michael W. McClain
mike@kentuckytrial.com

I further certify that on April 12, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

David A. Domina
ddomina@dominalaw.com

/s/ Dustin R. DeNeal